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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Production of National and Other
Intelligence Estimates

1. Problem

How can national and other intelligence estimates best be produced.

2. Position of Congressional Committees

a. The Senate Select Committee Staff has been reviewing NIEs over a long period, and exploring the history and problems of the production of estimates. Several former ranking CIA officials (e.g., John McCone) have argued for a BNE in interviews with the Senate Staff. Senator Mondale has publicly argued for recreating the BNE, reflecting some Senate Staff sentiments.

b. Position of the House Select Committee is not known. The inference from numerous questions addressed to General Wilson, Mr. Hyland and Mr. Clark was that several members admire the old-style NIEs and methods of producing them, believe the NIOs are too engaged in day-to-day business for systematic long-term thinking, are skeptical that NIOs have sufficient authority in the Agency/Community to get the job done, and wonder about their ability to withstand policy pressures on estimates.

c. On the other hand, two House Staffers who have been briefed on the NIO system and are studying estimates have professed themselves impressed with it and with the steps being taken to improve it.

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3. Discussion of Options

a. This question tends to be debated in either/or terms, i.e., "Are NIOs better than BNE or visa versa?" This is probably a false dichotomy, certainly an unnecessarily restrictive one. One may wish to choose either an NIO or a BNE system; one does not have to. In terms of symbols, there is a tendency on the Hill and in parts of press to glamorize the BNE as synonymous with objectivity and wisdom, NIOs with the obverse. Whatever his personal inclinations, no knowledgeable person thinks in these simplistic terms. The matter is further complicated by charges (Mondale speech) that Nixon caused the abolition of BNE for ideological reasons--charges which are not true.

b. President Nixon had nothing to do with the abolition of the BNE. Ideology was not a factor in the decision to replace the Board with the NIOs, nor was any alleged dissatisfaction with the content of the BNE's analytic judgments. The schematic outlines of the NIO system were developed by Dr. Schlesinger while he was DCI and conceptually elaborated by Mr. Colby after Dr. Schlesinger's departure.

c. Mr. Colby felt he needed an NIO structure to assist him in the discharge of his substantive responsibilities as head of the Intelligence Community. He was sensitive to the view widely (often strongly) held outside of CIA that under the BNE/ONE system, the drafting of national estimates was a monopoly closely guarded as such by a single Community component.

d. At the time Mr. Colby decided he needed an NIO-type structure, the BNE was under-strength. The DCI decided not to appoint new members to the BNE and thus risk establishing two entities with overlapping functions but, instead, to fold the NIE production supervision function into his new NIO concept, hoping that the new structure could also serve as a device for doing a number of things the BNE had never been asked to do and a device for knitting the Community together.

e. In actuality, therefore, the NIOs were set up in 1973 to perform a cluster of functions deriving from the DCI's mandate to lead the Community and from Mr. Colby's own felt need for close substantive support in certain geographical and functional areas. The NIOP responsibilities include production of NIEs and other estimates, but many other things as well. Their NIE responsibilities were assigned partly to offset charges that ONE had too monopolistic a role in drafting NIEs.

f. The BNE was established in 1951 to produce National Estimates period. As it evolved, and as it developed a sophisticated staff, it broadened its activities to include a variety of analytical and estimative functions and speculative work in addition to NIEs--both coordinated within the Community and unilaterally for the DCI or at his request.

g. Thus, NIO and ONE functions overlap in part but only in part.

(1) NIOs do a variety of staff support jobs for the DCI, look at substantive affairs from his point of view, are active in consumer relations and in grey area between substance and management (KIQ-KEP, etc.). The NIOs and their assistants are specialists in their subjects of responsibility--through broad-gauged specialists. They employ regular production offices in CIA and elsewhere to get jobs done. Personnel are drawn from senior- and middle-level substantive experts of CIA, State and the services, with some infusion of talent from outside Government.

(2) ONE was based on the concept of a small group of very senior generalists, civilian and military, removed from current and administrative responsibilities, charged with thinking ahead substantively. They served, individually and collectively, as the DCI's executive agents for producing National Estimates and other estimative products. BNE was supported by a small substantive staff which did the drafting, helped by departmental contributions. As ONE evolved, relative importance of staff grew.

h. Whether considered empirically in the light of experience or conceptually, the NIO and BNE systems each show a mixture of advantages and disadvantages, with preponderance depending on which cluster of functions one considers most important.

(1) Little doubt exists in light of two years' experience, that the DCI, charged with his present mandate to lead the Community, needs something like NIOs as substantive staff officers. He would probably need them all the more if he or a super-senior intelligence officer receives a strengthened mandate for leadership of the Community. NIOs, as a channel between policy consumers and intelligence producers, have also proved their usefulness in making intelligence more responsive to consumer needs and in helping the DCI prioritize Community's substantive effort.

(2) There is also little doubt, in light of experience, that NIOs do not have enough time and staff support to deal systematically with long-term problems. They have had difficulty getting quality estimates drafted--especially when problems cut across geographic specialities, when outside agencies are asked to do the job, or when time pressures are urgent. The press of daily responsibilities is not compatible with the sustained attention needed for thoughtful long-term estimating. Sustained proximity to high policy makers could interface with rigorous independence and objectivity. (In practice, there has been little evidence of improper policy pressures and NIOs independence has been vigorously asserted when the need arose.)

(3) In summation, NIOs have clearly proven useful to the DCI and have clearly also helped in fine-tuning the intelligence effort to policy makers' needs. These improvements have been made at some cost in systematic provisions for long-run, pressure-free estimating and for handling problems across geographic and functional lines.

4. The Range of Options

a. Conceptually, options range from the extreme of keeping the present NIO system without a staff to abolishing it in favor of an enhanced BNE. The sensible options probably lie between these poles and admit many design variations in terms of composition, function, administrative location, subordination, etc. Illustratively, these variations include:

(1) Clarify and reinforce each NIO's authority to commandeer drafting and other substantive support from all appropriate CIA offices and other agencies.

(2) Organize a drafting staff for the NIOs--either qua staff or attached as needed to particular NIOs.

(3) Make the NIOs a more collegial substantive body to strengthen capacity for estimates which cross geographical or functional lines.

(4) Add three or four generalist NIOs without specific geographic or functional responsibilities.

(5) Establish a substantive review group drawn from CIA, State, DoD and outside--convening regularly or on call--to review estimates prepared under NIO auspices.

(6) Establish an office of estimates apart from, but parallel with, the NIOs. It would be composed of a small group of senior generalists with a small substantive staff for drafting and specialized support, both elements drawn from within and outside the Community, to act as executive agent for estimates' production, a quality control mechanism and long-range think tank. It would free NIOs for customer relations, substantive and quasi-management duties in support of the DCI or other senior officials, etc.

(7) Establish an enhanced Board of Estimates, complete with "eminent and highly qualified intelligence analysts, diplomats and statesmen... not susceptible to White House or parochial agency pressure." (Mondale) Give it a strong staff which, inter alia, would perform many of the present NIO functions.

5. Recommendations

N.B. Any recommendations on this issue must take account of the DCI's needs, the climate in the White House and in the Congress, and past experience and anticipated requirements. No two people will see these in precisely the same light. Considering all the factors, two alternatives seem sensible:


a. 4a(6) above (an office of estimates parallel with the NIO structure). This has the merit of real and visible change (intrinsically desirable in present context), but not too much change. It is sufficiently flexible to meet all or most of the desiderata associated with other options. It would cost some money and slots not presently available, and these would have to come out of other resources being cut back. It should be headed up by someone, ideally an outside civilian, not identified with BNE or NIO system, who could claim the confidence of Congress and the academic/think tank community as well as of the DCI and Executive Branch. Its working relationship with the NIOs would need precise and thoughtful clarification.

b. A mixture of 4c(2), (3), (4) and (5) above (drafting staff for NIOs, a more collegial NIO process, two or three generalist NIOs and/or a review group for quality control and generalist perspective.) This would build on the present structure and help repair present deficiencies. It would cost somewhat less than the other recommended option. It would help free the present NIOs for what they do best. It would be criticized as cosmetic tinkering rather than real change, but that criticism would not be fatal.

6. Proposed Action

Neither of these steps would require legislation and either could be accomplished by Executive Order or DCI directive. But much depends on what functions are to be maximized and especially on whether a new senior intelligence officer is created, where he would sit, etc. Unless and until the DCI concurs in one of these recommendations, or directs another line of approach, there is no basis for action. If he should approve either of the recommended approaches, a small task force should be established to blueprint a workable plan. The group should initially include representatives of NIO office, ICS, DDI, and perhaps DDA. A second phase would involve elements of the Community. The planning phase could be accomplished in a couple of weeks.

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Chairman, Action Plan Task Group

*I confess a strong view in support of
NIO's and against a BNE -*

- 1. The BNE inclines to fuzzi + postification of liaison utility - the NIO inclines to sharper focus on direct policy support.*
- 2. We must merge substance + management or the latter becomes sterile -*
- 3. The NIO is more inclined to reflect variation in judgements in the community - the BNE is more inclined to resolve or reject them*
- 4. The NIO encourages the community in the BNE is more apt to generate competitive efforts or*

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